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FM AMEMBASSY YEREVAN
TO RUEHC/SECSTATE WASHDC 3708
INFO RUCNCIS/CIS COLLECTIVE
RUEHAD/AMEMBASSY ABU DHABI 0043
RUEHAK/AMEMBASSY ANKARA 1097
RUEHDE/AMCONSUL DUBAI 0053
RUEHIT/AMCONSUL ISTANBUL 0493

C O N F I D E N T I A L YEREVAN 001101

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DEPT FOR EUR/CARC, DRL, GTIP

E.O. 12958: DECL: 08/11/2016

TAGS: PHUM PREL PGOV KWMN KCRM KTIP HSTC AM

SUBJECT: APPARENT REPRISAL: TAX POLICE INSPECT ANTI-TIP NGO

REF: YEREVAN 1091

Classified By: Amb. John M. Evans for reasons 1.4 (b, d).

¶1. (C) An anti-trafficking NGO reported a surprise visit from tax inspectors August 10, two days after the Ambassador pushed the Armenian Prosecutor General (PG) Aghvan Hovsepyan to investigate allegations of investigative corruption the "Hope and Help" NGO had raised with the Embassy (reftel). According to the NGO, the tax inspectors somewhat sheepishly and awkwardly asked for details of the organization's operations, and not for tax or financial records. The tax inspectors told the NGO that they planned to begin inspecting the organization's financial papers on August 14. The NGO's employees told us they believed the inspection was a reprisal for their role in raising allegations against PG office investigators to the Embassy and to the NSS. (NOTE: Reftel noted that several prostitutes accused PG investigators of making them change their testimonies against an alleged trafficker, and physically abusing one of them. END NOTE.)

¶2. (C) Shahen Hovasapyan, the head of the Operational Inspection Department that visited the NGO, told us State Tax Service Head Felix Tsolakyan had ordered the inspections as a catch-up measure. He said the inspections were routine, and volunteered that the tax service had no hidden agenda.

¶3. (C) COMMENT: The timing of the inspection is suspicious. It would have been very easy for PG Hovsepyan to call Tsolakyan and ask him to turn up the heat on "Hope and Help."

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News of our call to the tax service will trickle up, making it clear once more that the U.S. Embassy is interested in the case.

EVANS